

FISCAL NOTE

HB 3120 - SB 3332

January 24, 2008

SUMMARY OF BILL: Creates the Tennessee Lottery Funds for Education Projects Loan Account. Requires all funds accumulated in the Special Reserve sub-account, after the last deposit made in FY07-08, be transferred to the Tennessee Lottery Funds for Education Projects Loan Account to be used in support of specific educational capital outlay projects. Authorizes the General Assembly to appropriate funds from the Lottery for Education Account to the Tennessee Lottery Funds for Education Projects Loan Account.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – There would be no change to lottery proceeds as a result of this bill. However, there could be a shift of use for funds that are currently earmarked exclusively for making or supporting loans to local government units for educational programs and purposes in accordance with the Constitution, to an additional purpose of making up any deficient payments to the Local Development Authority for any shortfall existing in the non-classroom capital outlay portion of the Basic Education Program Fund. As of June 30, 2007, there was \$9,550,574 in the Special Reserve sub-account. Therefore, any portion of this amount, or any portion of funds that will be deposited into the account in FY07-08, could be used for making deficient payments to the Local Development Authority.

Assumptions:

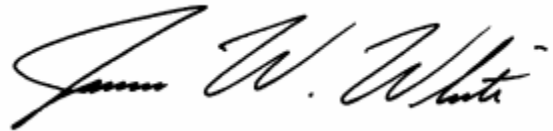
- Currently, funds that are within the Special Reserve sub-account may be used to make or support loans to local government units for educational programs and purposes in accordance with the Constitution and to pay or secure debt issued for such programs and purposes.
- Under this bill, these funds or a portion thereof could be used for paying the Local Development Authority for any deficiency of funds not

available in state share of the non-classroom capital outlay portion of the basic education program fund.

- As of June 30, 2007, there was \$9,550,574 in the Special Reserve sub-account.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc